



ITALY BEST PROSPECT INDUSTRY SECTOR PROFILE

Sector Name: **TRAVEL AND TOURISM**

ITA Industry Code: TRA

Italy ranks fourth among the world's top tourism destinations and fourth in total receipts. At the same time, Italians consider it a national tradition to take a vacation—often outside of Italy itself. In 2002, 46 percent of Italians said they took at least one vacation in the spring/summer period (April-September), while 41 percent took two to four vacations.

Italy has a high percentage of outbound travelers. One out of six adult Italians travels abroad every year, and all surveys indicate an increasing propensity among Italians to travel abroad. Since 1997, Italy has become the sixth largest spender in international travel.

Despite the tragic events that occurred on 9/11, the U.S. continues to be the most preferred long haul destination for Italian tourists. Italy is the fourth largest market in Europe for the U.S. tourism industry -- after the United Kingdom, Germany and France -- and the seventh in the world. Italian tourists to the U.S. are among the largest spenders with an average per capita daily expenditure of \$132.

Despite the generally unfavorable exchange rate during the past ten years, the number of Italian visitors to the U.S. has been growing constantly over that time. However, the increasingly unfavorable exchange rate with the dollar started affecting travel to the U.S. in 2000, when a decrease of 2 percent was recorded. In the last two years, Italian arrivals to the U.S. dropped dramatically from the 612,000 recorded in 2000 to 406,000 last year. Recent favorable changes to the exchange rate should now encourage more Italian tourism.

In 2002, Italian arrivals to the U.S. decreased by almost 14 percent, mainly because of the tragic events of September 11. Despite that, all major players in the "travel to the U.S. sector" indicate strong growth prospects for the Italian market, and America is expected to remain at the top of preferred long-haul destinations. Besides the most visited States by Italians, which invariably are New York, California and Florida, there are several emerging destinations such as Nevada, the Rocky Mountain Region, and New England. The success of the latter destinations is directly related to targeted marketing and promotional efforts that the tourism authorities of those States have devoted to the Italian market.

Data Table:

(USD Millions)	2001 (actual)	2002 (actual)	2003 (estimated)
Total Outgoing Travel	14,815	16,840	20,300
Travel to the U.S.	1,610	1,965	2,370
Exchange rate \$1=euro	1.117	1.057	0.877

The above statistics are unofficial estimates.